



## INSPECTOR GENERAL REPORT

2005-06-0303

November 16, 2005

### EBT FRAUD

*Inspector General David O. Thomas reports to Governor Mitchell E. Daniels, Jr., after an investigation by Special Agent Alan McElroy and FSSA Investigator Wendell Hoskins, as follows:*

This report addresses three criminal arrests involving the fraudulent use of EBT cards. These cards are “electronic benefits transfer” cards given to Indiana citizens who qualify to access public assistance funds.



EBT cards are similar to an ATM card. An amount of money is authorized by a Family and Social Services Administration (“FSSA”) caseworker and placed into the qualifying account. The public assistance recipient then accesses the money at an ATM machine. The two public assistance programs

involved with an EBT card are Food Stamps and Temporary Assistance to Needy Families (“TANF”).

Some may ask why Food Stamps and TANF money are issued by way of EBT cards. The reason is that each EBT card transaction is captured into a computer database for monitoring purposes. In this investigation, we were able to read these computer reports and capture the simultaneous photograph of these caseworkers at the ATM machines as they accessed the money from the fraudulent accounts.

Two of the three persons who were eventually arrested were FSSA caseworkers. It was their duty to oversee the EBT card distribution to citizens who qualified for the public assistance. Instead, the FSSA caseworkers established over 20 false accounts and issued the EBT cards to themselves. They then fraudulently accessed the public assistance funds and used the money for themselves.

This case was originally brought to the Office of Inspector General (“OIG”) by FSSA internal investigator Wendell Hoskins and FSSA General Counsel John Davis. An investigation continued.

## I.

The first FSSA caseworker was interviewed on June 15, 2005, at her home in Indianapolis. During the interview, she confessed to stealing the money with the EBT cards. She further stated that she used false names to create some of the

accounts and that she also reopened closed cases. She had worked for FSSA for 26 years.

## II.

The second FSSA caseworker participated in a similar scheme, however, she would also give the EBT cards to the third individual who would sell the cards on the street, and split the money with the second caseworker. She stated that she had stolen over \$50,000 and was involved in at least 10 or more fraudulent EBT cards.

This caseworker likewise confessed during her interview and concluded by telling Inspector General Special Agents, "You have me."

## III.

A third individual was also interviewed on June 6, 2005. She was not an FSSA caseworker, but was the individual who sold the EBT cards on the street for the second caseworker. She admitted that the EBT cards would be mailed to her residence by the caseworker and that she would access and spend the money on herself. She likewise would sell the cards to other members of the public.

These investigations were submitted to the Marion County Prosecuting Attorney's Office, and all three individual were criminally charged with multiple felony counts.

Dated this 16<sup>th</sup> day of November, 2005.

  
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David O. Thomas, Inspector General